

GREGORY S. BELL
Lieutenant Governor

Mine Name: Western Utah Copper

Operator Name:Ron Wunderlich

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program

October 15, 2009

Reviewed:	LJL

Permit Number: M0010067

Inspection Date:04/21/2009

Inspector(s):Tom Munson	Time:1PM-3PM		
Other Participants: Ron Wunderlich, Wayne Western	Mine Status: Active		
Elements of Inspection	Evaluated	Comment	Enforcement
 Permits, Revisions, Transfer, Bonds Public Safety (shafts, adits, trash, signs, highwalls) Protection of Drainages / Erosion Control Deleterious Material Roads (maintenance, surfacing, dust control, safety) Reclamation Backfilling/Grading (trenches, pits, roads, highwalls, Soils Revegetation Other 			

Purpose of Inspection:

To determine if the amendment to the Large Mine Application was being bonded adequately.

Inspection Summary:

The site was inspected and operations were progressing on the mining of the Hidden Treasure Pit and construction of the mill. The mill was not operational at the time of the inspection. The operator has constructed two new water tanks and 2 wells (WW-3 and WW-6) to supply water to the mill. These wells have dedicated pumps and compressors to pump water to the two new cement storage tanks, one 72 feet in diameter with 10 foot side walls which holds 300,000 gallons and the other 42 feet in diameter and 10 foot side walls which holds 100,000 gallons.

In addition, an office review of the amendments submitted on December 10, 2008 was carried out. Wayne Western met Ron Wunderlich to inform him that he could assist him with bringing the bond into a new spreadsheet that the Division can update and escalate based on escalated construction costs.

Photos were taken to document site conditions.

Conclusions and Recommendations:

The current bond held by the Division for reclamation associated with the Large Mine Permit is \$1,600,000. The reclamation liability associated with the permit is \$1,468,000 escalated to 4/20/2012, leaving an excess bond of \$132,000. The amendment to the Large Mine Plan received December 10, 2008 included water tanks, water wells, stockpile areas,etc. and a few other additional disturbances that need to be added to the permit. The reclamation bond and the permit must be updated to include the new costs and disturbances associated with the

Since the Division feels that there may be adequate bond in the existing bond to cover these new areas of disturbance, a request to update the current permit and bond was

Inspection Date: April 21, 2009

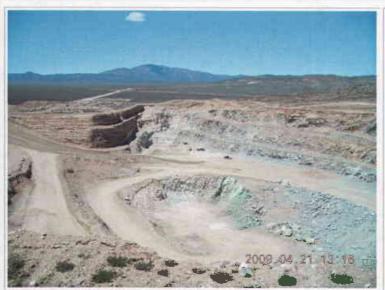
Page 2 of 4 M/001/0067

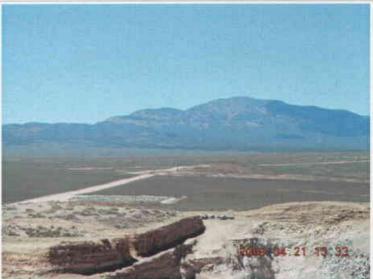
requested of the operator on September 14, 2009. The operator has stated that North American Resources has been given the tasks of updating the plan and figures, but is waiting for additional information on the new tailings impoundment. The Division requests that this permit update be supplied by November 30, 2009.

Inspector's Signature ___

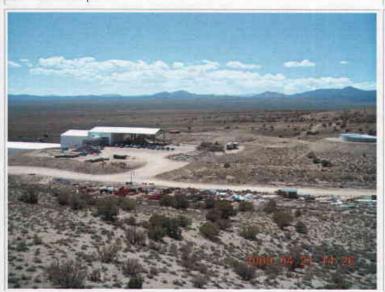
cc: ronw@scinternet.net

ed_ginouves@blm.gov
O:\M001-Beaver\M0010067-WUCC\inspections\insp-04212009.doc

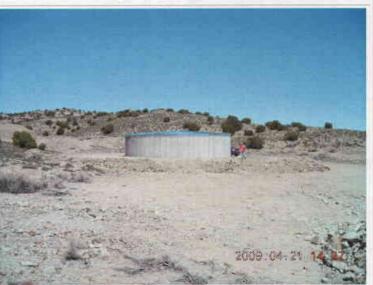




Hidden treasure pit



Hiddentreasure ore stockpile along haul road



Mill building and new storage tank

New water storage tank





Hidden treasure pit blast



Hidden treasure pit blast

Hidden treasure pit blast